

USAWC STRATEGY RESEARCH PROJECT

**THE NEXUS OF TERRORISM AND DRUG TRAFFICKING IN THE GOLDEN
CRESCENT: AFGHANISTAN**

by

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ABSTRACT

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The nexus of terrorism and drug trafficking in the Golden Crescent region of Southwest Asia and the broader Middle East is Afghanistan. As the region's core state, how Afghanistan builds a strong political and security framework by eliminating safe havens for terrorists and narco-traffickers is critical for regional stability for not only that country but also for its neighbors and the United States. This paper examines the extent of Afghanistan's narcotics problem; increases in opium poppy production and price after the fall of the Taliban; and the relationship between drug trafficking, the insurgency, and government control of poppy cultivating areas. Comparative analysis of the U.S. drug control strategy for Pakistan, the evolving Afghan national drug control strategy, and the U.S. national drug control strategy reveals that it is possible to achieve reductions in use, production, and trafficking in narcotics. The study proposes a balanced, regional, and long-term counter narcotics strategy for Afghanistan and for drug producing and consuming countries globally.

THE NEXUS OF TERRORISM AND DRUG TRAFFICKING IN THE GOLDEN CRESCENT: AFGHANISTAN

In Afghanistan today, the world is witnessing an unprecedented moment in the history of freedom. The impatient patriots of Afghanistan are helping to lead the expansion of liberty throughout the broader Middle East. They are affirming-- just as Europeans, and Asians, and Africans, and indeed Americans themselves did at earlier times -- that the longing for liberty and self government is universally desired, and universally deserved.¹

Secretary of State Condoleezza Rice's ringing words affirming the universality of freedom for the Broader Middle East at the January 2006 UN-organized London Conference on Afghanistan underscores the importance of building a strong political and security framework for countries in the Golden Crescent.² At the region's core is Afghanistan (for 20 years the world's largest producer of opium poppy), Pakistan (a failed state), and Iran (a state-sponsor of terrorism). According the Secretary Rice, the key is "building an Afghanistan that is not a haven for terrorism..., an Afghanistan that is stable..., an Afghanistan that can fight its narcotics problem."³ The biggest challenge is to prevent Afghanistan from becoming a nexus of terrorism and drug trafficking in the Golden Crescent. This paper examines the extent of Afghanistan's opium challenge, the troublesome nexus of terrorism and drug trafficking in Afghanistan and the Golden Crescent region of Southwest Asia and the Middle East, the development of the Afghan counter narcotics strategy, and American counter narcotics strategy with reference to Afghanistan.

The UN London Conference on Afghanistan took place in an upbeat environment with over sixty delegations from donor countries and international non-governmental organizations represented. The conference recognized Afghanistan's progress since the December 2001 Bonn Agreement and heralded a new phase, with a five year plan for national reconstruction and development priorities incorporated in the Afghanistan Compact. However, in his opening statement UN Secretary General Kofi Annan cautioned delegates that

...Afghanistan today remains an insure environment. Terrorism, extremist violence, the illicit narcotics industry and the corruption it nurtures, threaten not only continued state building, but also the fruits of the Bonn Process.⁴

The Compact recognizes the continuing cross-cutting nature of the detrimental impact of opium poppy cultivation and narcotics trafficking in Afghanistan on the nation's stability and future progress. Afghan President Hamid Karzai observed that

As the Bonn process draws to a close, rather than permanently opening a door to a new era for Afghanistan's development, the opium trade threatens to reverse

our accomplishments and drag us back into chaos, criminality and abject poverty.⁵

Time has already run out for the more than a hundred thousand people who die annually, directly or indirectly, as a result of their addiction to Afghan opium and for the thousands who die annually as result of terrorist acts funded, directly or indirectly, by the trafficking in Afghan opium.⁶ In his statement to the conference, Deputy Managing Director of the International Monetary Fund Agustin Carstens additionally pointed out that "gradually eliminating opium-related activities" is one of the formidable challenges Afghanistan and the world face ahead.⁷

Afghanistan's Opium Challenge

Opium and its derivatives morphine and heroin are among the most common drugs used in Afghanistan.⁸ The lucrative trade in illicit drugs supports a wide range of criminal activities, threatens to undermine efforts to rebuild the Afghan economy and fuels public sector corruption. For centuries farmers in the isolated mountain valleys of the Golden Crescent cultivated opium poppies for household use, the wider problem began in the 1980's when heroin traffickers started exporting heroin to outside the region.

The impact of Afghanistan's poppies is global, not just national. According to the UN Office on Drugs and Crime (UNODC), Afghanistan produced 87 per cent of opium available in the world in 2005. When the 2005 opium production finally hits western markets, its street value could be in excess of US\$ 24.3 billion.⁹ The economics of opium indicate that most of the profits accrue outside of Afghanistan and the Afghans receive a very small portion of overall revenue.¹⁰ (See Figure 1 below.)

The total value of opium exports (US\$2.7 billion) is equal to 52 per cent of Afghanistan's GDP (US\$5.2) in 2004/2005. In contrast, the farm-gate value of the 2005 opium harvest was US\$560 million -- providing a significant income to opium poppy cultivators but not much on a global scale. UNODC estimates that in 2005, 309,000 families (8.7 per cent of Afghanistan's total population) were engaged in opium cultivation. A majority of these families are sharecroppers or tenant farmers. While some cultivate opium poppies to repay debts to local lenders or as rent to landowners; others raise poppies for the income. UNODC reports the 2005 poppy to wheat income ratio as 10:1 -- in other words, if a farmer plants a hectare in poppy, he can expect to earn ten times more than he would if he planted wheat.¹¹

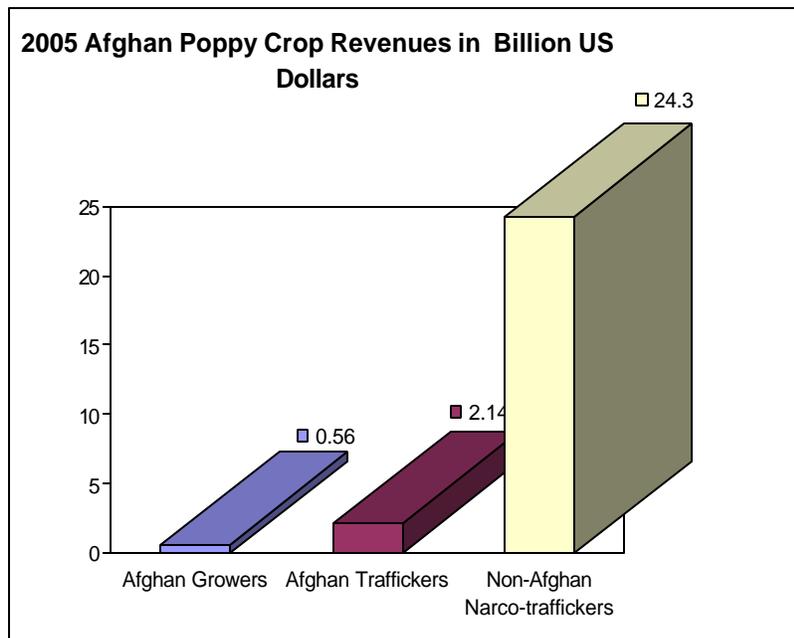


FIGURE 1. 2005 AFGHAN POPPY CROP REVENUE DISTRIBUTION

Source: Data from the UN Office on Drugs and Crime, *Afghanistan Opium Survey 2005* (Kabul, Afghanistan: December 2005), 1, 9.

Poppy is not an easy crop to cultivate. It requires more labor, fertilizer, and seed for production than wheat. Labor accounts for 80 per cent of the cost of cultivating poppies. Poppy straw is used as fuel and animal fodder and poppy seed for cooking oil and soap but farmers still have to cultivate, usually on a separate crop rotation schedule, other crops for general household subsistence.¹² Male household members contribute most of the labor during the planting and growing seasons, and harvesting is more labor-intensive. According to the UNODC, raising opium poppy requires 350 person days per hectare, of which 200 are required for the harvest period alone. Women play a fundamental role in opium poppy cultivation at all stages, except for harvest in northern and eastern Afghanistan. While women and children are cheap sources of labor for a farming family, many women prefer not to be involved in lancing opium capsules, recognizing the risk to the health of mothers and children in the poppy fields at harvest. Women poppy workers interviewed for a UNODC survey reported "subsequent sickness and the loss of time for child care." Anecdotal evidence indicates that small children have died from accidentally ingesting opium resin while accompanying their mothers in poppy

fields.¹³ As a result, family labor is frequently augmented with young, male, itinerant harvesters, landless returnees from refugee camps or poorer farmers with crops growing on a different harvest cycle from poppy.¹⁴ Typically paid in kind by the farmers, these itinerant workers mainly sell their opium to local traders for basic necessities.¹⁵



FIGURE 2. LANCED OPIUM POPPY CAPSULES

Source: Photograph available from <http://www.usdoj.gov/dea/pubs/abuse/4-narc.html>; Internet; accessed 3 March 2006.

Opium, as a tradable commodity, is much like gold -- it is a means of exchange. A 2003 IMF report on the *Poppy Dimension in the Afghan Economy* notes that in areas of Afghanistan not linked to the national financial system, opium was considered a liquid asset. In a country like Afghanistan which is re-establishing a collapsed financial system, opium is "an ideal commodity for marketing, trade and speculation."¹⁶ Fresh opium at harvest time is worth less than dry opium harvested in previous seasons. Dry opium has a shelf life of at least five years and can increase in value overtime as it dries. Farmers and traders are known to maintain stockpiles of opium to ride out price fluctuations and to generate a steady income flow. For example, Afghan farmers stockpiled opium gum during the 2001 growing season after the Taliban issued a ban in July 2000. Local Taliban authorities strictly enforced the ban on poppy cultivation but in September 2001 told farmers that they were free to grow poppy again. Subsequent military operations disrupted normal trafficking operations and limited the volume of opium reaching outside markets. In 2002, purchase price for opium soared exponentially. (See Figure 3 below for the relationship between the amount of hectares planted by farmers each year and the price they received for opium gum.)

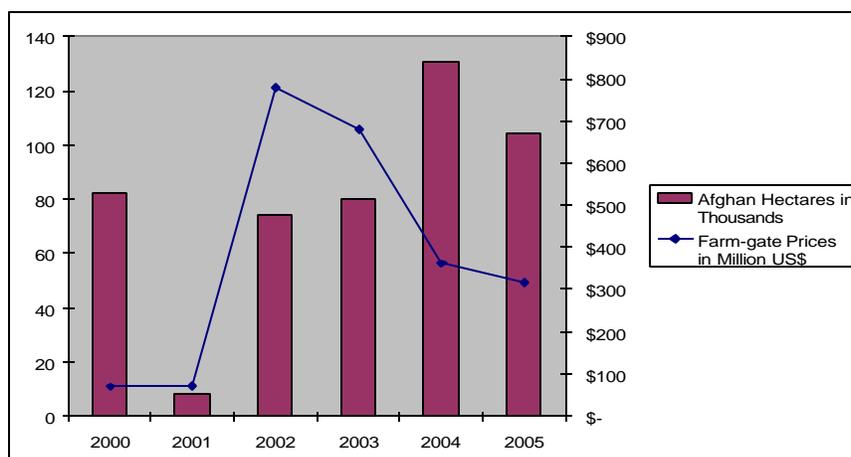


FIGURE 3. RELATIONSHIP BETWEEN OPIUM PRODUCTION AND PRICE

Source: Data from UN Office on Drugs and Crime, *The Opium Economy in Afghanistan: An International Problem, Executive Highlights 2003*, 1-3, 7.

At the lowest end of the opium trade, itinerant opium traders travel through opium producing areas and buy directly from farmers. These traders often provide advice on poppy cultivation, provide seeds and credit to farmers--giving rise to the term "narco-usurers" (money lenders) for traders who provide informal advance payments (salaam). These narco-usurers extend credit at considerable risk: risk of crop failure, fluctuating opium prices and exchange rates, and the potential for debtors to repay with adulterated opium or abscond without repayment.¹⁷

Small shopkeepers in regional bazaars buy opium from individual farmers, itinerant laborers, and farm-gate traders. They, in turn, sell to local drug users for personal consumption, local clandestine processing laboratories, larger-scale traders, or foreign traffickers who organize shipments to border areas or directly abroad. The processing laboratories tend to be located near the external borders of Afghanistan. Approximately 71.5 per cent of Afghanistan's opium harvest is processed inside the country. Processing reduces its bulk about 90 per cent.¹⁸ The larger regional markets tend to be geographically oriented towards external trafficking routes: southern markets in Helmand and Kandahar (the two largest opium poppy cultivation provinces) are directly linked to Iran and Baluchistan, Pakistan; eastern markets (mostly in eastern Badakshan) are linked to the frontier areas of North West Frontier Province, Pakistan; and northern markets (Baikh, Faryab and parts of Badakshan provinces) to the Central Asian states. (See map of routes in Figure 4 below.)¹⁹ Segments of the routes are controlled by

family or tribal groups. The pattern of cross-border ethnic and tribal links often facilitates trafficking by Pashtuns, Baluchis, Tajiks, Turkmen and Uzbeks. Local warlords benefit from "taxes" collected from drug traffickers in return for protection.



FIGURE 4. 2005 EXTERNAL AFGHAN OPIUM TRAFFICKING ROUTES

Note: Arrows on map show relative direction of trafficking routes referenced in preceding text. Base map from courtesy maps.com; available from <http://edition.cnn/SPECIALS/2001/trade.center/afghan.zoom.html>; Internet; accessed 2 February 2006.

Traffickers adjust routes depending upon weather conditions, effectiveness of law enforcement, and political actions. Traffickers are benefiting from reconstruction of the Afghan road system. By 2004, the Kandahar-Kabul highway had 389 kilometers of road improvements completed. In addition, 1,000 kilometers of secondary roads were improved. Donors are continuing reconstruction of the Afghan ring road and border spurs, including the road from Herat to the Iranian border. In 2005, "large convoys of well-armed passenger trucks (up to 60 or more vehicles) loaded with opiates" were reported driving overland across western Afghanistan via Herat to Iran.²⁰ The Iran route goes through northern Iraq to Jordan and onwards to European markets.²¹ Large freight trucks loaded with drugs ply the roads from eastern Afghanistan to North West Frontier Province; others cross near Chaman in Baluchistan. Some of the Pakistani shipments end up in the major port of Karachi or the smaller, more remote port

of Bandar Abbas and then transit the Gulf countries to Europe. Smaller drug shipments go north to Turkmenistan and Tajikistan. Tajik law enforcement reports that 80 per cent of their drug seizures are Afghan opiates.²²

The UNODC estimates that over three-quarters of the heroin sold in Europe, and virtually all heroin sold in Russia and Central Asian States, originates in Afghanistan.²³ With ineffective border controls and weak drug interdiction capacity, Central Asia has become a primary transit corridor for Afghan-origin opium and heroin.²⁴ While most Afghan heroin is sold in Western Europe, Pakistan, and Iran, the U.S. Drug Enforcement Administration has found evidence of traffickers from Lebanon, Pakistan, Turkey, and Afghanistan smuggling small amounts of Afghan heroin in ethnic enclaves in America.²⁵ At the International Narcotics Control Board's 2005 meeting, INCB President Hamid Ghodse warned that Iraq is emerging as a transit point for Afghan heroin that enters Jordan en route to final destinations in Asia and Europe.²⁶ Iraq's Minister for National Security Affairs asserted in a 5 May 2005 interview in the Arabic-language news *Al-Hayat* that "drug trafficking rings in Pakistan, Afghanistan and Iran are trying to operate in the Iraqi area, which has become a gateway for transporting narcotics to neighboring states."²⁷ Afghanistan's opium challenge is well on its way to becoming a threat to the rest of the Golden Crescent.

Nexus Between Afghanistan's Opium Economy, Crime, and Terrorism

Afghanistan is on the cusp of turning into a narco-state -- the government is unable to project its authority in certain areas, especially in the southern Pashtun region where there is a particularly volatile combination of opium poppy cultivation and Taliban holdouts. In January 2006, the U.S. State Department, citing the inability of Afghan authorities to maintain order and ensure security, "strongly warned U.S. citizens against travel to Afghanistan." The warning, furthermore, noted that "remnants of the former Taliban regime and the terrorist al-Qaida network, and other groups hostile to the government, remain active."²⁸

At a February 2004 international counter narcotics conference held in Kabul, Afghan President Hamid Karzai stated that "narcotics are against our national interests" and clearly articulated the nexus of drugs and terrorism in Afghanistan and :

...the money, which is earned from the trafficking, production, and business of heroin, fuels terrorism. Terrorism and narcotic drugs are involved in and cooperate in the destruction of Afghanistan, the region and the world. ... Poppy cultivation not only undermines our economy but eradicates it and connects it with crime and terrorism.²⁹

Tangible evidence of the drug-terrorism link in Afghanistan is coming to light as security increases and rule of law comes to some parts of the country. According to press reports, on 30 December 2003, the U.S. Navy stopped a small fishing boat on the Arabian Sea carrying drugs and several wanted al-Qaeda suspects. In January 2004, a raid on a drug trafficker's house in Kabul yielded satellite phones used to call suspected terrorists in Turkey, the Balkans and Western Europe.³⁰ These two cases appear to be the exception, in large part because of the Afghan National Police's lack of integrated drug intelligence and interdiction capability and slow reconstruction of the Afghan judicial system. The capacity to prosecute narcotics cases is particularly problematic. The theft and resale of evidence in government custody is known to hamper prosecution in drug cases.³¹

In January 2004, at a UN-sponsored International Counter Narcotics Conference on Afghanistan, international participants strongly advocated "urgent and decisive action...from the Afghan government--at all levels--and communities...if Afghanistan was to be saved from turning into a narco-state." The conference's top recommendation was for the government of Afghanistan to look within and "tackle corruption and involvement of officials and commanders in the drugs trade through visible action."³² A year after the Kabul conference, the Afghan Minister of Counter Narcotics Habibullah Qaderi publicly admitted in an interview that even some cabinet members are implicated in the drug trade. Although unconfirmed, speculation is that members of the legislature and even a presidential relative may be linked to drug lords.³³ According to the Afghan Minister of Tribal and Frontier Affairs Abdul Karim Brahowie, "the government has become so full of drug smugglers that cabinet meetings have become a farce."³⁴ According to the U.S. State Department, drug-related corruption is extensive at the provincial level and below.³⁵ Without a concerted effort to rout out drug-related corruption at all levels of the government, Afghanistan will continue down the road to becoming a narco-state.

Afghan Narcotics Control Strategy: A Challenge in Implementation

Afghanistan's January 2006 National Drug Control Strategy is the result of a five-year effort to firmly embed counter narcotics in the nascent government's activities. The December 2001 Bonn Agreement contained language that "requested the Afghan Interim Administration (AIA) and the Loya Jirga to 'cooperate with the international community in the fight against terrorism, drugs and organized crime.'"³⁶ The AIA issued its first counter narcotics decrees condemning poppy cultivation, production, processing, drug abuse, and drug trafficking in January, April, and September 2002. The AIA National Security Advisor Zalmay Rassoul was responsible for coordinating all activities related to preventing drug production, consumption,

and trafficking. The AIA National Council established the Counter Narcotics Directorate (CND) to lead implementation of a national drug control strategy. The CND reports to the President, the NSC, and the Cabinet on drug control matters.³⁷

In addition to a governmental consultative process on a national drug strategy, the CND also had plenty of international help. By March 2002 the UN Office on Drugs and Crime had opened a Kabul office of the UN Drug Control Program to manage their on-going programs. The United Kingdom took the G-8 donor nation lead on counter narcotics and began to work with the Afghan Ministry of Interior to develop a counter narcotics capacity in the national police force.³⁸ The UK counter narcotics goal for Afghanistan was to eliminate poppy cultivation, dismantle associated criminal networks, and to decrease social-economic dependence on opium. In the first six months of operation the British began forming a separate national counter narcotics force within the national police and developed a counter narcotics enforcement cell for Jalabad. The British also formulated a poppy eradication program which incorporated financial incentives for farmers who voluntarily destroyed their poppy crops prior to harvest.³⁹



FIGURE 5. AFGHANISTAN STATE HIGH COMMISSION FOR DRUG CONTROL

Source: Photograph from author's personal collection.⁴⁰

By spring 2002, the U.S. Department of State (International Narcotics and Law Enforcement (INL), Agency for International Development (AID)) and Department of Justice (Drug Enforcement Administration) had personnel in Kabul on a temporary basis to help the AIA develop a national narcotics control strategy and to coordinate USG assistance in implementing the U.S. narcotics control strategy for Afghanistan. The U.S. strategy at the time had as its

main objective disruption of the flow of opiates from Afghanistan to American drug users and focused on reducing the numbers of Afghan drug users, poppy cultivators, and drug traffickers. INL, AID, and DEA subsequently established permanent offices within the U.S. Embassy in Kabul.⁴¹

In May 2003, the CND published the first Afghan National Drug Control Strategy (2003 ANDCS). The authorities for the ANCS came from AIA presidential decrees issued in 2002. The 2003 ANDCS overall goal was "to eliminate the production, consumption and trafficking of illicit drugs in and from Afghanistan."⁴²

The 2003 ANDCS associated objectives are summarized as follows:

- Eliminating opium cultivation in the long run in Afghanistan;
- Countering trafficking, processing, and distribution of narcotics and psychotropic substances and precursor chemicals into, within and out of Afghanistan;
- Increasing efforts to forfeit drug generated assets and money laundering;
- Reducing legal and illegal substance use; and
- Enhancing regional and international cooperation.⁴³

The means to implement the 2003 ANDCS objectives were to:

- Provide development assistance to opium poppy growing areas in the framework of national development programs
- Vigorous enforcement action against drug traffickers;
- Treat and rehabilitate drug abusers, particularly those using opiates and psychotropic drugs, and intravenous drug users at risk of transmitting HIV/AIDS and other blood borne viruses;
- Involve social organizations and individuals such as Ulema (religious leaders) and community elders in prevention and rehabilitation programs;
- Increase the role of local and provincial governments and their public administration to promote and implement drug control activities, particularly in opium poppy eradication and law enforcement activities.⁴⁴

In 2004, the U.S Embassy in Kabul flagged problems with the Afghan counter narcotics strategy. In particular, it was noted that the Afghan government lacked "commitment and performance on counter narcotics issues." Furthermore, insufficient central government control and little verification of eradication efforts contributed to the failure of the 2004 government eradication program.⁴⁵ By March 2005, it was apparent that the 2003 ANDCS was not sufficiently robust to deal with the challenge of opium in Afghanistan. DEA Chief of Operations Michael A. Braun testified to Congress that it was "time for leadership" in Afghanistan. Braun

pointed to the substantial increase in opium production since the collapse of the Taliban and significant opium and heroin seizures in the region by DEA Operation Containment as indicators that not enough was being done to stem the drug flow from Afghanistan. He condemned the Afghan government's poppy eradication program as "fraught with corruption issues" and suggested that Afghan government rejection of aerial crop spraying indicated a further lack of commitment to eradication.⁴⁶

In January 2006, the Afghan government released an "updated five-year strategy for tackling the illicit drug problem." The 2006 Afghan National Drug Control Strategy (2006 ANDCS) gets its authorities from three 2002 Presidential decrees. In addition, religious authorities weighed in against narcotics: an August 2004 National Council of Ulema fatwa declared poppy cultivation contrary to Islamic sharia. The January 2004 Afghan Constitution identified opium as a threat to the State: Article 7 states that "The state prevents all types of terrorist activities, cultivation and smuggling of narcotic drugs and production and consumption of intoxicants." By December 2004 a Ministry of Counter Narcotics replaced the ineffective Counter Narcotics Directorate.⁴⁷

The 2006 ANDCS sets an overarching objective for Afghanistan's strategy: "to secure a sustainable decrease in cultivation, production, trafficking and consumption of illicit drugs with a view to complete and sustainable elimination."⁴⁸ The emphasis is on *sustainable*, a concept not specifically highlighted in the 2003 ANDCS objective.⁴⁹

The 2006 ANDCS national priorities are

- Disrupting the drug trade by targeting traffickers and their backers and eliminating the basis for trade.
- Strengthening and diversifying legal rural livelihoods.
- Reducing the demand for illicit drugs and treatment of problem drug users.
- Strengthening state institutions at the center and in the provinces.⁵⁰

- Law enforcement -- Ministries of Interior, Counter Narcotics, Border Police, National Police
- Criminal justice -- Ministries of Justice, Counter Narcotics, Attorney-General's Office
- Eradication -- Ministries of Counter Narcotics, Interior, Afghan Eradication Force, and provincial administration
- Institution-building -- all line ministries and provincial administration.⁵²

While the 2006 ANDCS provides guidance to the various ministries and provincial administration is laudable, there is an implementation gap -- the ANDCS does not have the authority to ensure that the ministries and provincial administration actually take into consideration how their actions impact on the national strategy. For example, opium addiction is becoming an increasing domestic problem. With limited general medical services available in Afghanistan, few addicts have access to medically supervised demand reduction programs.

The 2006 ANDCS does contain indicators for measurable progress on priority objectives, which when mapped also indicate performance of the responsible ministries and provincial administration. These annual indicators bring the measurement of progress on drug control in line with how the U.S. measures counter narcotics performance of international programs. The four annual indicators in the 2006 ANDCS for Afghanistan are as follows:

- Reduction in hectares of opium cultivation;
- Reduction in illicit drug GDP, measured year on year against licit GDP;
- Reduction of a indicator composed of opiate seizures, successful drug prosecutions, and drug laboratories and markets closed; and
- Reduction in annual illicit drug consumption and blood-borne disease infections among drug users.⁵³

The 2006 ANDCS is a first step in national comprehensive and sustainable counter narcotics strategy for Afghanistan. It is only made possible with the strengthening of central government control in 2004, which saw national elections for president, a new constitution, and establishment of a full range of governmental institutions. By 2005, the U.S. State Department suggested that there will be in place "the necessary prerequisites for the series of difficult actions necessary to reverse the deteriorating situation on the narcotics front."⁵⁴

American Narcotics Control Strategy: A Domestic and Global Challenge

When President George W. Bush declared a Global War on Terrorism in 2001, the ongoing War on Drugs launched by President Richard M. Nixon thirty years earlier seemed to take a back seat. When the United States launched Operation Enduring Freedom against the

global terrorist threat posed by the Taliban and al-Qaeda in Afghanistan, the War on Drugs in the world's largest opium poppy producing country was at a cross roads: Poppy cultivation was at an historic low in 2001 and the nascent threat of narco-terrorism in the region seemed peripheral -- and unlikely to damage core national interests. Five years later and the level of intensity of national interest for drug control is close to becoming a "first order" national interest. In his transmittal letter for the February 2005 National Drug Control Strategy to the Congress of the United States, President George W. Bush gave the clearest signal of the level intensity of national interest in drug control. He characterized drug control as a "critical endeavor."⁵⁵ In other words, drug control is important, possibly vital, to national interests. If drug control does not succeed, then there could be immediate consequences for the U.S. and the resulting damage will eventually affect core national interests. The level of U.S. interest in international drug control measures is traditionally related to the source areas of drugs sold in the U.S. Thus the bulk of USG funding for international drug control is spent on programs in Latin America. The 2002 National Security Strategy (NSS), written after 9/11, clearly reflects the vital need to combat terrorist activity due to its immediate consequences for core national interests.⁵⁶ The overthrow of the Taliban in Afghanistan in 2001 was vital to national interests in countering terrorist activities worldwide.

According to the 2002 NSS, Columbia, the source of much of the narcotics entering the United States at the time, was considered more important than Afghanistan as a country with a regional conflict which, if left to simmer, might eventually affect core national interests. The 2002 NSS went on to identify a link in Columbia "between terrorist and extremist groups and drug trafficking activities that help finance the operations of those groups." In addition, the 2002 NSS suggested that the violence of drug cartels causes regional conflicts in parts of Latin America.⁵⁷

By 2005, the national interest intensity for counter narcotics and counter terrorism action in Afghanistan had increased. Much of the increased interest relates to emerging symbiotic relationships between terrorists and drug traffickers and the negative impact of international criminal and terrorist networks on regional stability and security in regions of interest to the United States. The rising national interest in narco-terrorism in Afghanistan and the Golden Crescent is evident in the 2005 NDCS and the more robust funding for the 2004 counter narcotics program for Afghanistan.⁵⁸

At the national strategic level, the objective of the U. S. national drug control strategy is the reduction in drug use among Americans over the next two to five years. The concepts or ways to achieve the national drug control objective are by stopping drug use before it starts,

healing America's drug users, and disrupting the market for drugs. The executive branch resources for implementing the objective are spread across a number of agencies and departments:

- Office of National Drug Control Policy (Counter Drug Technology Assessment Center, High Intensity Drug Trafficking Area Program, Other Federal Drug Control Programs),
- Department of Justice (Drug Enforcement Administration, Interagency Crime and Drug Enforcement),
- Department of Homeland Security (Customs and Border Protection, Immigration and Customs Enforcement, U.S. Coast Guard),
- Department of State (Bureau of International Narcotics and Law Enforcement Affairs, Agency for International Development),
- Treasury,
- Department of Defense, and
- Department of Health and Human Services (National Institute on Drug Abuse and Substance Abuse and Mental Health Services Administration)
- Department of Education.

The Office of National Drug Control Policy has overall coordinating role for national drug control programs. Programs to stop domestic drug use before it starts emanate from the Department of Education and the Department of Health and Human Services. Action to disrupt the market place for drugs comes mainly from the Department of Justice as well as the Department of Homeland Security and the Department of Defense. International programs to disrupt the market are implemented by the Department of State and the Drug Enforcement Administration.⁵⁹

The NDCS, issued by the White House in February 2005, clearly delineates a national plan with three national priorities to achieve a measurable reduction in drug use in the United States. This document sets specific national goals: a 10 percent reduction in youth and adult drug use over the next two years and a 25 percent reduction over the next five years.⁶⁰ The national priorities are:

- "stopping use before it starts: education and community action;
- "healing America's drug users: getting treatment resources where they are needed;
- "disrupting the market: attacking the economic basis of the drug trade."⁶¹

The NDCS is based on the economic assumption that the drug trade is a business that operates on supply and demand. The first two national priorities address the American demand side of

the drug trade. In counter narcotics terminology, both are strategies for drug demand reduction that decrease the pool of potential drug buyers.

The third national drug control priority limits the flow of narcotics to the United States by disrupting the supply line. Because drug trafficking organizations function as networks with “loosely aligned associations of independent producers, shippers, distributors, processors marketers, financiers, and wholesalers,” the organizations can be “attacked, disrupted, and dismantled.” Working with allies, the USG seeks to bring down a drug cartel by targeting entire sectors of a network and by attacking the means of production by using crop eradication; seizing more drugs through better intelligence by targeting transporters; and increasing law enforcement efforts against drug trafficking.⁶²

The NDCS also contains a specific strategy for “securing the future of a free and democratic Afghanistan.” The narcotics trade in Afghanistan threatens to “crowd out legitimate enterprise and undermine institutions.” The first national strategy for drug control, issued three years ago, had the same objective as the 2005 strategy and employed many of the same ways and means to attain its objective. It appears that the ways and means to reduce drug demand and disrupt the market was successful – there was a ten percent reduction in drug use by Americans over the last two years.⁶³ Thus the U.S. national drug control strategy, as initially formulated, was proven feasible, suitable, and acceptable with little risk associated with its continuation in the 2005 national drug control strategy.

U.S. Narcotics Control Strategies for Afghanistan

The current U.S. narcotics control strategy for Afghanistan dovetails the U.S. national strategy – its main objective is to disrupt the flow of opiates from Afghanistan to American drug users by going after poppy cultivators and drug traffickers. The American focus for countering narcotics in Afghanistan is on the supply side -- not on demand for drugs in Afghanistan and the region. This imbalance in the structure of the counter narcotics strategy has a possible impact on its future success due to the elastic characteristics of opiate demand and supply.⁶⁴

Until 2001, the only way to interdict Afghan drug traffickers was by providing law enforcement assistance to Pakistan, the sole country in the region with whom the United States had a bilateral counter narcotics program. Afghanistan under Taliban rule simply lacked the resources and means to take unilateral action – Afghan government institutions for drug control were weak and unable to sustain counter narcotics law enforcement and drug demand reduction programs. In fact, the Taliban regime earned revenue through taxes on opium production and trafficking. Instead of a bilateral program in Afghanistan, the United States

worked multilaterally toward its drug control objective for Afghanistan by supporting United Nations efforts to build counter narcotics Afghan institutions and alternative development programs in key opium poppy growing areas. In addition, the United States and European countries opened a diplomatic dialog with the Taliban to encourage a total elimination of opium production during the 2000-2001 growing season. As a result, the Taliban issued a fatwa against growing opium poppies and enforced the fatwa with draconian penalties in Taliban-controlled areas.⁶⁵

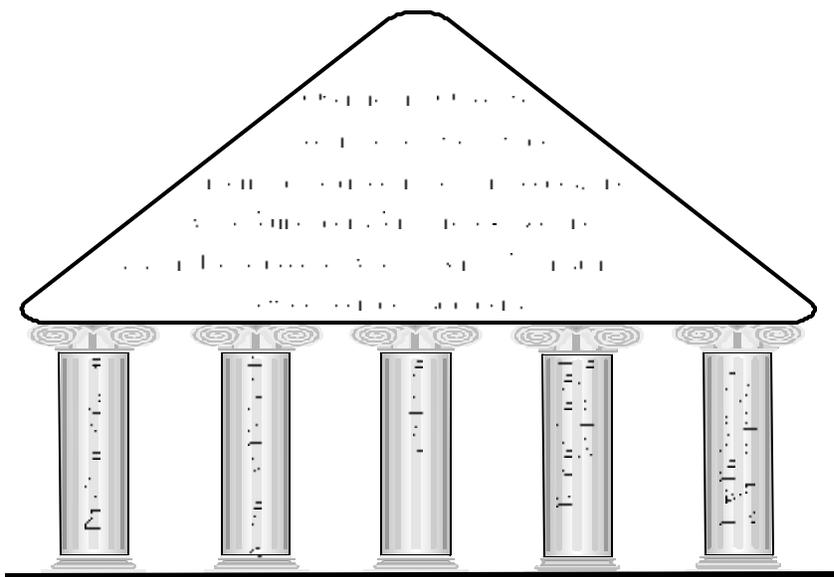


FIGURE 7. U.S. COUNTER NARCOTICS STRATEGY FOR AFGHANISTAN

The 2006 U.S. narcotics control strategy for Afghanistan reflects elements of both U.S. NDCS and the U.S. NSS to build a stable and democratic Afghanistan. The 2005 International Narcotics Control Report for Afghanistan indicates that "the U.S. and the international community, under United Kingdom lead and the country office of the UNODC have an intense policy dialog with President Karzai, the Afghanistan National Security Council, and various Afghan ministries...on the subject of combating narcotics."⁶⁶ The long-term U.S. Afghan drug control policy is to develop sustainable alternatives to opium poppy cultivation as a source of livelihood for Afghan farmers combined with building up local judicial and law enforcement functions, creating and strengthening national drug control institutions, and coordinating with neighboring and regional counter narcotics programs. (For a conceptual model of the 2006 U.S

narcotics control strategy for Afghanistan, see Figure 7 above.) For implementation, the strategy relies upon funding, training and technical assistance from international institutions, (United Nations), coalition partners (United Kingdom, Germany, Italy), and U.S. agencies.⁶⁷

For example, in order to help train an Afghan national police force and support judicial reform, the United States worked with Germany, the lead country responsible for coordinating international assistance to train and equip a national police force and Italy, the lead for judicial reform in Afghanistan. The USG funded a training facility in Kabul for training Afghan police in modern policing techniques, provided non-lethal police equipment, technical advisory services, and assistance with police infrastructure. U.S.-trained National Interdiction Unit teams have started conducting drug raids in government-controlled areas of Afghanistan. U.S. advisors are conducting a wide range of training and technical assistance programs to improve the government of Afghanistan's ability to prosecute cases and support correctional programs meeting international standards.⁶⁸

Can Afghanistan's Opium Challenge Be Met?

The United States can't afford the risk of Afghanistan failing to meet its opium challenge. There will be internal political instability as criminal elements gain greater influence, government corruption spirals out of control, and Afghanistan returns to war lordism and anarchy. The broader regional instability posed by Afghanistan's possible emergence as a narco-terrorist state threatens our allies and re-establishes Afghanistan as a safe haven and launching pad for global criminal and terrorist elements.

The question then becomes: Can Afghanistan succeed in meeting its opium challenge? I believe that the answer is yes -- based on the maturing of Afghanistan's national narcotics control strategy as described above that has resulted in "major institutional and policy changes that have greatly benefited its counter narcotics objectives and have established a sound structural basis to attack the problem."⁶⁹ Continued reconstruction since 2002 is moving Afghanistan closer to healing.

Most important, success in the struggle against poppy cultivation is achievable in the long run. Afghanistan's neighbor, Pakistan is the first opium producing country in the world to be designated poppy free. The U.S. narcotics control strategy for Pakistan was based on three pillars: demand reduction, law enforcement, and alternative development. The U.S. Department of State counter narcotics program run by the Narcotics Affairs Section of the U.S. Embassy in Islamabad in the border tribal areas, used both carrot and stick to convince opium-growing communities to decide as a group to stop poppy cultivation in return for expedited

delivery of community services (roads, water, schools, and health care facilities). Over a twenty year period, poppy cultivation dropped to less than 600 hectares by 2000. However, in 2004 approximately 3,100 hectares of opium poppy were found in the tribal areas, where there are suspected small heroin production laboratories as well as safe haven for terrorists and criminal elements. As a counter terrorism and counter narcotics measure, the U.S. country program since 2001 has sought to enhance border security at the seams of national authority. The U.S. has also provided assistance to strengthen overall Pakistani counter narcotics law enforcement capacity and interdiction of Afghan opium has steadily increased over the years.

There is a reciprocal narcotics relationship between Afghanistan and Pakistan. Some predict that as Afghanistan cuts back on poppy cultivation, a balloon effect will take place in Pakistan, especially in the areas of least governmental authority. Figure 8 shows the elastic relationship between price and supply for Afghan farmers -- price increases result in more area cultivated in poppies. If the government of Afghanistan limits poppy production in territory under its control, then there is an economic incentive for a ballooning of cultivation in areas of weak governmental control in both Afghanistan and Pakistan.⁷⁰ Pakistan is working on legislation to assert more national authority in the tribal areas. This legislation should provide a basis for more aggressive counter narcotics measure by Pakistani law enforcement.

In addition, Pakistan has an external narcotics problem associated with the trafficking of heroin and morphine from Afghanistan. Pakistani financiers and traffickers may well play a role in financing and organizing poppy cultivation and heroin production in Afghanistan. In both Afghanistan and Pakistan drug abuse is rapidly increasing and internal demand for opiates is rising comparably.⁷¹ This symbiotic relationship between the two neighbors will be tough to break and requires a more regional approach as suggested in the 2006 ANCDs.

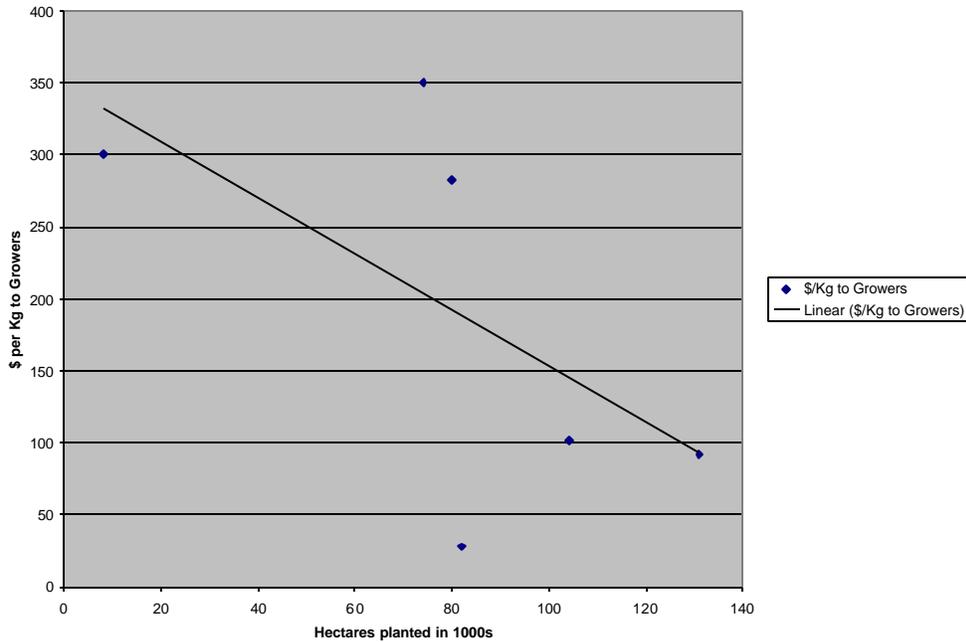


FIGURE 8. RELATIONSHIP BETWEEN PRICE AND CULTIVATION 2000-2005

Source: Data from UN Office on Drugs and Crime, *Afghanistan Opium Survey 2005*, 3.

The U.S. must help Afghanistan to prevent its opium challenge from derailing its progress towards freedom. To do so, the U.S. should pursue an Afghanistan drug control strategy that is

- Balanced -- policies should impact both the demand and the supply aspects of the drug economy in Afghanistan with the aim to reduce overall internal supply and demand for opiates as well as the region, transit countries in the Middle East and destination countries of Western Europe. In addition the U.S. should support development of balanced national counter narcotics policies in the region, transit and destination countries.
- Multilateral and Global-- all levers of U.S. national power (diplomatic, information, military, economic) and international power levers should be used to support global counter narcotics strategies. Our counter narcotics strategy for Afghanistan and that of our allies must be synchronized. Similar effort must be made regionally and

globally so that there is a strategic and consistent unity of action and effort to counter narcotics worldwide.

- Long Term -- The 30-year War on Drugs is just the beginning. The struggle to free Afghanistan from being a terrorist safe haven and narco-state is less than three years in the making. Winning the global War on Drugs is possible only through the long term application of balanced multilateral counter narcotics strategies on a national, regional, and global scale.

Endnotes

¹ Condoleezza Rice, remarks at the Afghanistan Compact Meeting, London, England, 31 January 2006; available from <http://www.state.gov/secretary/trvl/2006/59429.htm>; Internet; accessed 4 February 2006.

² The Golden Crescent is the name given to the broader Middle East's principal area of illicit opium production, covering three nations -- Afghanistan, Iran, and Pakistan, whose mountainous peripheries define the crescent shape. A broader geographic definition describes the Golden Crescent area as extending from South West Asia to Turkey. Definition available from http://www.drugscope.org.uk/druginfo/drugsearch/ds_results.asp?file=%5Cwip%5C11%5C1%5Cgolden_crescent.html; Internet; accessed 20 February 2006.

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⁴ Kofi Annan, opening statement at the London Conference on Afghanistan, London, England, 31 January 2006; available from <http://www.un.org/apps/news/infocusnews.asp?sID=22>; Internet; accessed 6 February 2006.

⁵ Islamic Republic of Afghanistan, *National Drug Control Strategy: An Updated Five-Year Strategy for Tackling the Illicit Drug Problem* (Kabul, Afghanistan: January 2006), 4, available from <http://www.mcn.gov.af/english/PDF/NDCS1.pdf>; Internet; accessed 3 February 2006.

⁶ Antonio Maria Costa, preface to UN Office on Drugs and Crime, *Afghanistan Opium Survey 2005* (Kabul, Afghanistan: December 2005), v; available from http://www.unodc.org/pdf/afg/afg_survey_2005_exsum.pdf; Internet; accessed 24 January 2006. Note that the UN Office of Drug Control is subsumed under the UN Office on Drugs and Crime.

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⁸ Islamic Republic of Afghanistan, 12.

⁹ The purity level of Afghan heroin available in the U.S. is comparable to the purity of South East Asian heroin but is less than that from South America. In the U.S. Afghan heroin is

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¹⁰ UN Office on Drugs and Crime, *Afghanistan Opium Survey 2005* (Kabul, Afghanistan: December 2005), 1, 5; available from http://www.unodc.org/pdf/afg/afg_survey_2005_exsum.pdf; Internet; accessed 24 January 2006.

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¹² David Mansfield, remarks at UK-sponsored conference on Afghanistan and Narcotics, Wilton Park, United Kingdom, 28 May 2002. (David Mansfield was the Drug Project and Policy Advisor, Foreign and Commonwealth Office, London at the time of the conference.)

¹³ The off-white blobs on the opium capsule are resin, which is scraped off the capsule and dried to produce brown-black opium gum. Photograph is available from <http://www.usdoj.gov/dea/pubs/abuse/4-narc.html>; Internet; accessed 3 March 2006.

¹⁴ While certainly not all returnees and displaced persons seek seasonal employment harvesting opium, they do create a vast labor pool of potential labor. According to the UN High Commission for Refugees (UNHCR), more than 3.5 million Afghans voluntarily returned to Afghanistan from 2002-2005. An additional influx of 600,000 refugees is expected in 2006. Approximately 150,000 internally displaced persons are in Afghanistan -- the majority in the southern provinces, where opium poppy cultivation is significant. UN High Commission for Refugees, *Record Refugee Returns to Afghanistan Show Hopes and Challenges*, UNHCR News Stories, 21 January 2006; available from <http://www.unhcr.org/cgi-bin/texis/vtx/afghan>; Internet; accessed 22 February 2006.

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²² *Ibid.*

²³ UN Office on Drugs and Crime, *The Opium Economy in Afghanistan: An International Problem, Executive Highlights 2003*, 8.

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²⁸ U.S. Department of State Bureau of Consular Affairs, *Travel Warning, Afghanistan*, 9 January 2006; available from http://travel.state.gov/travel/cis_pa_tw/tw/tw_2121.html; Internet; accessed 22 February 2006.

²⁹ Hamid Karzai, statement given at International Counter Narcotics Conference on Afghanistan, Kabul, Afghanistan, 9 February 2004; available from http://www.unodc.org/pdf/afg/afg_intl_counter_narcotics_conf_2004.pdf; Internet; accessed 7 February 2006.

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³⁸ Germany has the G-8 donor nation lead for developing the Afghan National Police and the Ministry of Interior.

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⁴⁰ Lowry Taylor, meeting at the Afghanistan State High Commission for Drug Control headquarters, Kabul, 6 March 2002. (Lowry Taylor was in charge of Afghanistan counter narcotics programs as Deputy Director, Narcotics Affairs Section, U.S. Embassy Islamabad.)

⁴¹ U.S. Department of State Bureau of International Narcotics Affairs, *2005 INSCR*, Afghanistan, 3.

⁴² Transitional Islamic State of Afghanistan, 7.

⁴³ *Ibid.*, 7-8.

⁴⁴ *Ibid.*, 8.

⁴⁵ U.S. Department of State Bureau of South Asian Affairs, 53.

⁴⁶ Michael A. Braun, 1-2.

⁴⁷ Islamic Republic of Afghanistan, 43.

⁴⁸ *Ibid.*, 17.

⁴⁹ Sustainability is vitally important in counter narcotics measures. A post-eradication bounce in poppy cultivation can occur without sustainable alternative development for poppy farmers and strict counter narcotics law enforcement. After the Taliban succeeded in largely eliminating poppy cultivation in areas under their control, farmers immediately turned around and replanted when they realized that the Taliban were no longer an effective force. As a result the precipitous drop in poppy production in 2001 to only 8,000 hectares was not sustainable -- hectares under poppy cultivation bounced up to 74,000 the following year. Similarly, the Afghan Interim Authority, under advisement by counter narcotics experts from the United Kingdom and the United States, banned poppy cultivation in 2002-2003 and followed up with an eradication program. The United Kingdom provided compensation for a quarter of the opium destroyed under the ban. In the absence of further compensation, credible alternative livelihood programs for farmers, and sustained counter narcotics law enforcement, opium production rebounded to 131,000 hectares in 2004. (Figures are from UN Office on Drugs and Crime, *Afghanistan Opium Survey 2005*, 3.)

⁵⁰ Ibid.

⁵¹ The directive to eradicate before flowering was aimed at farmers who claimed compensation for eradication after extracting opium gum from poppy capsules. Ibid., 21.

⁵² Ibid., 25.

⁵³ Ibid., 26.

⁵⁴ U.S. Department of State Bureau of International Narcotics Affairs, *2005 INCSR*, Afghanistan, 2.

⁵⁵ George W. Bush, transmittal letter to U.S. Congress, in U.S. Office of National Drug Control Policy, *National Drug Control Strategy: An Update*, (Washington: D.C.: The White House, February 2005); available from <http://www.whitehousedrugpolicy.gov/publications/policy/ndcs05/index.html>; Internet; accessed 2 March 2006 .

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⁵⁷ Ibid., 10.

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⁵⁹ U.S. Office of National Drug Control Policy, Appendix A.

⁶⁰ Ibid., 4.

⁶¹ Ibid., 4-5.

⁶² Ibid., 39-40.

⁶³ George W. Bush, transmittal letter to U.S. Congress in U.S. Office of National Drug Control Policy, *National Drug Control Strategy: An Update*.

⁶⁴ Two attributes come into play with the economics of drugs. One is the price elasticity of opiates for drug users and the other is the price elasticity of supply for poppy farmers. On the demand side of the equation, addicts in the short term have an inelastic demand for opiates because they will pay whatever the price is to sustain their habit. In the long term, addicts may seek demand reduction treatments or alternative drugs to sustain their habit. On the supply side of the equation, the amount of poppy cultivated by farmers is related to the perceived price that they will receive at the farm gate at harvest time. The observed bounce in poppy production after eradication is a rational response by farmers to increased prices for limited supply reaching external markets.

⁶⁵ U.S. Department of State Bureau of International Narcotics Affairs, *2005 INSCR*, Afghanistan, 3.

⁶⁶ *Ibid.*, 2.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

⁶⁹ *Ibid.*, 1.

⁷⁰ The trend line on the scattergram shows the general relation between price and hectares planted. In 2000-2001 growing season, when only 8,000 hectares were planted, the price subsequently jumped to \$301/kg. In the 2003-2004 growing season, 131,000 hectares and prices subsequently plummeted to \$92/kg at harvest time. See footnotes 50 and 66 for related discussion. (Figures are from UN Office on Drugs and Crime, *Afghanistan Opium Survey 2005*, 3.)

⁷¹ U.S. Department of State Bureau of International Narcotics Affairs, *2005 INSCR*, Pakistan, 16; available from <http://www.state.gov/r/pa/prs/ps/2005/43018.htm>; Internet; accessed 3 March 2006.